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# UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

## FIRST COUNTRY COOPERATION FRAMEWORK FOR TRINIDAD AND TOBAGO (1997-2001)

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## INTRODUCTION

1. The first country cooperation framework (CCF) for Trinidad and Tobago outlines the agreed strategy and areas of concentration for use of UNDP-managed resources for the period 1997-2001. It is in line with both national development priorities and the UNDP mandate for sustainable human development.

## I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. In 1996, Trinidad and Tobago ranked 38 out of 174 countries on the human development index - 12 among the developing countries - and 17 out of all countries using the gender empowerment measure index. The financial basis for social progress has been primarily the income generated from the production and export of oil, gas and petrochemicals. In 1995, the energy sector accounted for 25.3 per cent of the gross domestic product, 30.1 per cent of government revenue and 52 per cent of export earnings. During the 1972-1982 oil boom years, public expenditure on education, health, social security and welfare amounted to some 30-35 per cent of total public expenditures. With the collapse of oil prices in 1982 and rapid decline in oil production, the economy experienced an almost unrelieved contraction between 1983 and 1995, with a short period of growth in 1990 and 1991. For the six years leading up to 1989, the average annual loss of output ran at 4.7 per cent. Investments in the form of capital formation fell by 20 per cent over 1983-1995, a reversal of the large increases that occurred during the 1966-1982 period. Gross domestic spending over 1986-1993 dropped on average to 9 per cent below earnings. Tight fiscal management and depreciation of the currency became the twin instruments of stabilization. A comprehensive structural adjustment programme was introduced in 1983 which, in concert with efforts of stabilization, shifted the emphasis to the promotion of growth. Prudent fiscal policies applied since 1986 have resulted in an overall surplus on the fiscal account equivalent to 1.5 per cent of gross domestic product (GDP) in 1996, albeit the price was reduced expenditure in the social sector in real terms. As a percentage of GDP, expenditure on education, health and social services declined from 7 per cent to 5 per cent between 1983 and 1994. The net effect, particularly between 1987 and 1993, has been a stalling of the social development agenda. Data from the 1992 Survey of Living Conditions indicate that the per capita expenditure of the poorest 20 per cent was approximately $379.51, while that of the richest 20 per cent was roughly $3,128.52, indicating significant income inequality.

3. The new coalition Government formed in November 1995 is pursuing a policy of sustainable economic growth with equity, and is specifically focusing on poverty eradication and crime reduction. A key government strategy is the creation of sustainable livelihoods and employment outside of the energy sector, where employment has been heavily concentrated, which would increase the income of all population groups. Therefore, the key objectives of the medium-term policy framework for 1997-1999 are (a) maintaining strong, vibrant and sustainable economic growth; (b) generating permanent increases in employment and livelihoods; (c) maintaining low inflation; (d) fostering a balanced and equitable society; (e) safeguarding the environment. Real output is projected

to expand over the period 1997-1999 by an average of 6 per cent in the non-petroleum sector, driven by the continuing favourable performance of the construction and service sectors, and by 5 per cent in the petroleum/ petrochemical sector. However, mobilization of domestic savings and investments will be critical if the economy is to achieve these levels of positive growth over the medium term. The Government has decided to develop a new strategic planning framework to promote economic and social development aimed at achieving regional balance, and to allocate resources so as to ensure a better match among need, resources and regional development. The Government feels that limited UNDP resources should be used strategically in support of its objectives, while focusing specifically on concerns of poverty eradication, employment and livelihood generation, and equity.

4. Poverty and unemployment. The unemployment rate has been declining steadily since 1992, hitting 16.6 per cent in 1996. Labour force survey figures for 1993, 1994 and 1995 show that, on average, 20 per cent of women in the labour force were unemployed compared with 17 per cent of males, despite the fact that females in recent years have surpassed males at all levels of education. Indeed, the unemployment rate for females could be understated since many women choose to define themselves as housewives rather than as unemployed. Regional and ethnic disparities also exist. Closer examination reveals that growth in employment appears to be concentrated mainly in distribution, and construction and transportation, which are traditionally male-dominated areas. While it is not possible to measure precisely the increase in poverty over the past decade due to the inconsistency of the data, the combined effect of economic decline, worker lay-offs and the drop in the real value of social sector spending has certainly been a contributing factor. A 1995 World Bank study on poverty and unemployment in Trinidad and Tobago classified 11 per cent of the population as extremely poor or having consumption levels below the minimum amount required to purchase a nutritionally balanced low-cost food basket. Poverty and unemployment have been found to be highly correlated. Some 31.3 per cent of female-headed households are considered poor; the corresponding rate for male-headed households is 18.4 per cent. The higher incidence of poverty among female-headed households has been attributed to several factors, including women's lower participation in the labour force, lower wages and higher unemployment levels. The category "working poor", which consists primarily of unskilled or low-skilled women, has emerged as a new grouping that because of low wages has to work even longer hours to achieve a liveable wage.

5. In its assault on poverty, the Government intends to adopt a participatory, holistic approach and to commit considerable resources to this area. The concerns of poor female-headed households will be especially addressed, as well as the needs of the working poor. UNDP, through its Poverty Strategies Fund, now assists the National Social Development Council, launched in October 1996, in overseeing national follow-up to the Declarations and Programmes of Action of the World Summit for Social Development and other global conferences. Further, the Government has endorsed the Directional Plan of Action adopted at the Caribbean Ministerial Meeting on Poverty Eradication in October 1996.

6. Governance. A number of attempts at public sector reform have been made, but with only partial implementation of some of the recommendations. The Government has called for the preparation of a client-driven, result-oriented

action plan for public sector reform, adaptable to changes in the external environment. As the economy continues to consolidate and grow, mechanisms will be put in place to ensure that public expenditure allocated to the delivery of social services is increasingly developmental rather than remedial in its effects on both men and women. At local government levels, capacities for policy formulation, planning and programme prioritizing traditionally have been weak. The Government is establishing mechanisms to de-emphasize partisan considerations at the local level and encourage greater community involvement in local government. Much needs to be done, however, to strengthen the capacities of local government to assist communities in the design and implementation of their own development plans. Governance and strengthening the development planning capacity, therefore, constitutes the first major area under the CCF. In terms of gender equality, the Government has recently drafted a national gender policy, and legislation to include women's unpaid labour in the calculation of the National Accounts has been approved by Parliament. Increased emphasis must be placed, however, on including gender concerns in macro-level policies, particularly as those policies impact on female employment.

7. Environment. Current practices for the extraction of renewable and non-renewable resources and increasing poverty levels impact negatively on the environment. The medium-term policy framework 1997-1999 reiterates the Government's intention to develop complementary environmental legislation to the Environmental Management Act (March 1995), particularly in the area of trade and environment, to facilitate exports, and a National Environmental Management Plan as proposed by the Global Conference on the Sustainable Development of Small Island Developing States. The Environmental Management Authority (EMA), established with UNDP support, will produce and implement the management plan. Further, as is foreseen under the Act, an appropriate institutional framework that includes the active participation of civil society will be established for ensuring that environmental considerations are incorporated into the national development planning framework, and for ensuring coordination among the various organizations in the environmental area. Given the necessity of integrating environmental management issues into national development strategies and programmes, the association between UNDP and the EMA will continue.

## II. RESULTS AND LESSONS OF PAST COOPERATION

8. In the second and third programming cycles, the Government made available to UNDP considerable amounts of resources for critical institution-strengthening projects. With the economic downturn and the need to strengthen its own development administration capacities, however, the Government reduced those resources starting in 1986. In 1986 as well, the Governing Council of UNDP decided that countries with a per capita gross national product (GNP) above $3,000, and which were not small island developing States, should have net contributor country (NCC) status; Trinidad and Tobago was classified as an NCC. At its June 1993 session, the Governing Council noted that Trinidad and Tobago satisfied the criteria for designation as a small island developing State, so its NCC status for the fourth programming cycle was waived and it became entitled to its fifth-cycle indicative planning figure (IPF). A note by the Administrator (DP/1996/6) on UNDP cooperation with Trinidad and Tobago for the period 1994-1996 was approved by the UNDP Executive Board in January 1996, with

total funding of $1,803,361, out of which UNDP provided $1,401,308. The programme represented a departure from the tenor of past cooperation as UNDP support moved away from small-scale projects and focused on assistance in two critical sustainable human development areas: social sector development and national environmental management. Approximately $833,000, or 46 per cent of IPF resources, were channelled into the formulation and enactment of the Environmental Management Act and strengthening the national environmental management capacity. A public consultation process was initiated to achieve consensus on the new approach to environmental management. In terms of results, the EMA was established and is operational. Memoranda of understanding with all key institutions in the environmental area have been signed. UNDP support was also catalytic in attracting World Bank funding of $6.25 million to support EMA activities. IPF funding was complemented by funding of $150,000 under Capacity 21.

9. Approximately $225,000, or 13 per cent of resources, were allocated to restructuring the delivery of social services. IPF resources were supplemented by special programme resources (SPR) funding of $50,000 to support pilot projects. The main focus of the Government has been the development of an efficient social services delivery system that will allow better identification of needs for social services, with non-governmental organizations (NGOs) and community-based organizations (CBOs) as delivery agents at the community level, in order to achieve a measurable impact on poverty. This necessitates a cultural and attitudinal change of providers, as well as recipients. In terms of results, a diagnostic study on the current delivery system has been produced and the results of the pilot projects point strongly to the willingness of communities to collaborate in enhancing their social capital. In view of the results achieved, the scope of the project has been expanded in order to adequately justify changes in approaches and systems. Its results may serve as key guidelines for the preparation of a programme of reform of social services, which could provide an opportunity for Inter-American Development Bank/UNDP collaboration, as well as informing the poverty eradication and equity-building programmes of the Government.

## III. PROPOSED STRATEGY AND THEMATIC AREAS

10. The CCF will focus on two critical areas: (a) governance and strengthening development planning capacity; and (b) poverty eradication, equity-building and sustainable livelihoods. The areas of concentration are of necessity interdependent, since the national strategic planning framework to be prepared with UNDP support under the first area of concentration will be the overarching structure within which all developmental activities will take place. The Government will use UNDP resources in a catalytic manner to build capacities at national and regional levels to address these sustainable human development challenges. Advocacy and capacity-building efforts will concentrate on mainstreaming cross-sectoral issues such as gender and the environment.

11. The Government intends to take full advantage of the comparative strengths of UNDP, particularly its access to global knowledge and expertise; best practices in the priority areas; and, especially, knowledge, databases and technical expertise within the wider United Nations system. In implementation

of this CCF, it is proposed that advice and solutions be sought where possible through joint United Nations system responses. Linkages will also be established in priority areas with the regional programme for the Caribbean executed by the Caribbean Community.

### A. Governance and strengthening development planning capacity

12. Macroeconomic policy reform is geared towards enhancing the capacity of the country to respond to regional and global developments, leading to sustained economic performance. The Government is also concerned, however, that its policies promote social equity and good governance. A national strategic planning framework will be developed as a flexible and dynamic planning tool for macroeconomic and social development. UNDP will provide national and international experts in critical economic and social planning disciplines to enhance the capabilities of the Government to prepare the framework and, in particular, to institutionalize a participatory approach to development planning. Special consideration will be given to the development planning needs of Tobago and to urban and regional development. A number of critical studies will be required for short- and medium-term policy formulation in relation to economic and social policy development, as a part of the Government's ongoing work on refining the national strategic planning framework. UNDP will help to strengthen the capacity of national institutions in the preparation of national and regional human development reports through the provision of methodological advice and short-term consultants. The information provided by these reports will influence economic and social policy and will be integrated into the process of national and regional strategic planning.

13. The Government's goal is to widen participation in the decision-making process by strengthening the capacities of the local government machinery in ways that promote community empowerment in pursuit of development efforts. UNDP will assist the Government in analysing processes and reform attempts at the local level, and in the preparation of an overall capacity-building strategy for participatory local government development, including the competencies of the private sector and other organizations of civil society. The global experiences of UNDP will be instructive in this area. UNDP will also support preparation of a public sector reform action plan.

14. The impact of UNDP intervention in this area of concentration will be measured by: (a) increased capacities of planners at national and regional levels to design and implement programmes and projects that promote community involvement in the development process; (b) institutionalization of a dynamic planning framework based on a participatory process, and the preparation of a national strategic planning framework with specific targets and time-frames; (c) preparation of critical short-term policy studies; (d) integration of ministries' programmes within the national strategic planning framework and, hence, greater cost-effectiveness in the use of government resources; (e) production of annual national human development reports to inform policy makers; and (f) mainstreaming of gender, regional and environmental concerns in the national planning process. In the design of programmes and projects under the CCF, success indicators will be quantified.

## B. Poverty eradication, equity-building and sustainable livelihoods

15. The national strategic planning framework will inform the strategy and approach of the Government in this area. UNDP will support programmes that focus on equity-building, reducing absolute poverty levels, and the development and promotion of sustainable livelihoods for men and women. The Government, through the National Social Development Council, will follow a two-pronged intervention strategy. At the national and local levels, the Government intends to develop appropriate poverty eradication policies. UNDP will assist the Government with formulation and, taking into account its limited resources, implementation of a national programme for poverty eradication that is developed from the overall national strategic planning framework. The programme will outline specific national poverty reduction targets, strategies and time-frames, taking into consideration gender, ethnic, regional and environmental issues. Furthermore, the Government intends to design a limited number of downstream activities to test instruments and strategies. To accomplish this, the Government will rely on the support of UNDP, which will build upon its ongoing assistance to the Ministry of Social Development, for the restructuring and management of the social service delivery system.

16. The Ministry of Social Development completed a comprehensive poverty assessment in September 1996. While the methodology for comprehensive and participatory poverty assessments will be refined, emphasis in the short term will be placed on targeted area poverty assessments generating reliable information disaggregated by gender, human settlements and ethnicity. UNDP will provide assistance to the Ministry of Social Development, the Central Statistical Office, local level institutions and NGOs in methodological techniques for the integration of conventional statistical surveys (e.g., a household survey and a survey of living conditions) with qualitative data, and other innovative survey approaches for monitoring poverty eradication and social equity. UNDP will also support the design and operationalization of a dynamic social database and data dissemination system, building on work already started by UNDP and the Economic Commission for Latin America and the Caribbean (ECLAC). The social database system will serve both national and community requirements, including strengthening the information base for development of the national strategic planning framework by capturing data on poverty as well as economic and physical data that highlight poverty-generating circumstances. The involvement of the World Bank and other United Nations agencies is foreseen, particularly, the United Nations Children's Fund, the United Nations Development Fund for Women (UNIFEM), ECLAC, and the United Nations Population Fund.

17. UNDP will provide support to the Ministry of Social Development in the development of guidelines for assessing NGO/CBO capacities and sensitization to gender, environmental and other critical sustainable human development issues. The Gender Unit of the Ministry of Community Development and Women's Affairs, the EMA and the University of the West Indies will cooperate in this intervention. UNDP will provide expertise to the Ministry of Planning and Development in their ongoing efforts at reviewing the design and activities of micro-credit schemes. In this regard, the applicability of the UNDP Microstart Programme, and the micro-credit schemes developed under the Global Environment Facility (GEF)/Small Grants (SG) Programme and the Partners in Development

Programme (PDP), both currently operational in Trinidad and Tobago, will be examined. The idea is to refocus programmes in ways that nurture entrepreneurial talents, sensitize beneficiaries to gender and environmental issues, bring together the targeted population with the appropriate scheme, and expand opportunities for sustainable livelihoods to a wider cross-section of the population.

18. Several ongoing programmes complement the support envisaged under this area of concentration. The focus of the GEF/SG Programme is on empowering communities to create sustainable livelihoods while addressing environmental problems within the three GEF priority areas. Similarly, the PDP, with its poverty eradication orientation, is community based and also an ideal vehicle for monitoring and evaluating on a pilot basis some of the methodologies and instruments to be developed under the poverty programme. With funding from the European Union, the United Nations International Drug Control Programme supports the implementation of the National Drug Abuse Demand Reduction Programme, which has a component of support to selected communities. To address the rapid growth in the incidence of HIV infection and AIDS, funding obtained from the Joint United Nations Programme on HIV/AIDS supports the National AIDS Programme, which includes programmes of information, prevention and treatment of persons with AIDS. UNDP is also providing assistance to the disabled, through funding from the Perez Guerrero Trust Fund, by supporting the National Centre for Persons with Disabilities. As far as addressing the specific issue of domestic abuse against women, continuing support will be provided by UNIFEM to the Rape Crisis Centre.

19. In terms of impact and results, the following outcomes are expected: (a) targeted poverty eradication and equity-building initiatives will be formulated and implemented; (b) national and regional programmes for poverty eradication for reducing absolute levels of poverty with targets and time-frames will be formulated; (c) a dynamic social database system serving central and local levels will be designed and implemented; (d) a number of pilot projects geared at demonstrating the new approach to poverty eradication and equity-building and the refinement of monitoring instruments and tools will be implemented; (e) the capacities of a number of public organizations and NGOs working at central and community levels in the area of poverty eradication and social development will be strengthened to identify and implement productive employment and sustainable livelihood activities; and (f) a rationalized approach to micro-credit schemes will be designed. In the design of programmes and projects under the CCF, success indicators will be quantified.

## IV. MANAGEMENT ARRANGEMENTS

20. Execution and implementation. The national execution modality, with direct support from the UNDP office, was applied during the fifth cycle and has proven to be a flexible and cost-effective mechanism. This modality will continue to be used. National consultants, firms, NGOs and regional institutions will be utilized extensively as a cost-effective means of implementing activities and to further strengthen national capacities for project management. United Nations specialized agencies are expected to play an important role in terms of providing the required international technical expertise and guidance for

specific programme activities. The in-house expertise at UNDP/Port of Spain in sustainable development, environmental protection and procurement will be critical to the programme development process and to ensuring quality control. In terms of the service function of UNDP, the Government will consider making greater use of UNDP in supporting the implementation of its priority programmes and projects.

21. Monitoring and review. Given the importance of the areas of concentration to national development, a CCF oversight committee, chaired by the Government and co-chaired by UNDP, will be established. This Committee will spearhead a comprehensive triennial review for the assessment of programme implementation, results and impact. Programmes and projects will be designed with clearly articulated benchmarks, implementation arrangements and success indicators to facilitate monitoring and evaluation of impact and subject to broad-based consultations prior to the formal approval process already established by UNDP, including gender and environmental impact analysis. The Local Programme Appraisal Committee will serve as the main instrument for programme/project appraisal.

22. Resource mobilization. In the recent past, resources have been accessed from an international NGO, the GEF/SG Programme, the Perez Guerrero Trust Fund, the Montreal Protocol, central resources of UNDP such as the Poverty Fund and the Partners in Development Programme, and the European Union; efforts to diversify the non-core resource base of the programme will be continued. At this stage, the areas with the greatest potential for considerable additional resource mobilization within the United Nations system are GEF, for environmental protection of the Gulf of Paria, and the Montreal Protocol, for the phasing out of ozone depleting substances. The Government also has access to and uses sizeable resources provided by the European Union as grants and by the World Bank and IDB as loans for social and economic development. In that regard, the Government will consider the cost-effectiveness of using the established capacity in the UNDP/Port of Spain office to backstop the technical assistance components of these loans, as an alternative to setting up individual project implementation units in cases where established central and regional capacities do not exist.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR TRINIDAD AND TOBAGO (1997-2001)

(In thousands of United States dollars)

| Source | Amount | Comments |
|---|---|---|
| UNDP CORE FUNDS | | |
| Estimated IPF carry-over | 24 | |
| TRAC 1.1.1 | 505 | Assigned immediately to country. |
| TRAC 1.1.2 | 0 to 66.7 per cent of TRAC 1.1.1 | This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources. |
| SPPD/STS | 40 | |
| Subtotal | 569[a] | |
| NON-CORE FUNDS | | |
| Government cost-sharing | 580 | Programme cost-sharing. |
| Sustainable development funds | 2 424 | |
| | of which: | |
| GEF | 627 | Gulf of Paria project |
| GEF Small Grants | 1 473 | Biodiversity project |
| Montreal Protocol | 324 | Institution-strengthening |
| Third-party cost-sharing | 1 355 | Drug Abuse Demand Reduction |
| Funds, trust funds and other | 1 112 | |
| | of which: | |
| Poverty Strategies Fund | 132 | Poverty Programme |
| Perez Guerrero Trust Fund | 90 | National Centre for Persons with Disabilities |
| UNV | 450 | Assistance to Health Services |
| UNIFEM | 90 | Assistance to Rape Crisis Centre |
| UNAIDS | 350 | National AIDS Programme |
| Subtotal | 5 471 | |
| GRAND TOTAL | 6 040[a] | |

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNAIDS = Joint United Nations HIV/AIDS Programme; UNIFEM = United Nations Development Fund for Women; and UNV = United Nations Volunteer programme.

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